

Tallahassee Democrat "My View" June 7, 2007

Ready for Cuts? The Impact of Property Tax Reform on Leon County Government
Bob Rackleff, Leon County Commissioner

As Governor Charlie Crist promised a West Palm Beach audience last month, property taxes will “drop like a rock” when he and the Florida Legislature enact proposed reforms this summer.

He promised the same audience that “not one firefighter will be laid off, not one police officer, and shame on the local governments who put that fear in you.” Instead, “You may have one less dog park, OK. But you will get the services you deserve, and you’ll get your [tax] break.”

One less dog park?

In Leon County, our best guess is that the final plan would mean a \$20 million cut in property tax revenues – by far the largest single source of revenues for our operating budget.

Here’s how that cut would affect county programs.

We collected \$110.6 million in property taxes last year. Of that, “the services you deserve,” as defined by Governor Crist, include:

- \$54.0 million for the law enforcement and corrections operating budget, as well as probation services;
- \$13.7 million for the Property Appraiser, Tax Collector, Supervisor of Elections, and Clerk of Court, whose budgets we have little effective control over; and
- \$4.9 million to the City for fire protection for residents of unincorporated areas;
- These account for 992 of the county’s 1,816 employees.

These will presumably remain intact.

Then there’s \$10.4 million for the Emergency Medical Services (EMS) system, funded by a separate property tax. This too would remain intact.

Of the \$30.0 million left (excluding EMS), the following other mandatory programs depend at least in part on property taxes, such as:

- \$9.4 million to pay off bonds for such projects as courthouse renovations and northeast fire station;
- \$2.8 million to the City for its Community Redevelopment Districts;
- \$2.1 million for property and liability insurance;

- \$1.8 million to the Department of Juvenile Justice for detention costs, one of several unfunded mandates imposed by the State in recent years; and
- \$1.6 million to Medicaid (for nursing home expenses) and indigent burial, another unfunded mandate.

These would remain intact.

Now for the dog park part.

That leaves about \$20.4 million of property tax revenues to help pay for Leon County programs (which get other funds as well) that are not mandatory and would be subject to budget cuts:

- \$6.4 million for libraries, funded almost entirely by property taxes;
- \$4.0 million for county administration and county attorney;
- \$2.7 million in grants for human services and cultural programs;
- \$1.2 million to the city so that unincorporated residents can use city parks and programs;
- \$2.0 million for parks and recreation outside the city;
- \$1.0 million for animal control programs; and
- \$0.5 million for local economic development.

Other programs that receive substantial fees, motor fuel taxes, or other non-property tax revenues would be less affected, although many of them depend at least in part on property taxes, such as:

- \$7.4 million for information technology and geographic information systems;
- \$6.5 million for facilities management, from cleaning to repairs and maintenance;
- \$4.4 million for planning, environmental compliance and growth management;
- \$4.0 million for stormwater maintenance, such as cleaning ditches and ponds, in unincorporated areas; and
- \$1.9 million of property taxes for road maintenance, to make up for declining motor fuel tax revenues (a cost we expect to rise to \$3.8 million next year);
- \$1.0 million for solid waste programs not funded by fees.

(Note that all of the above are operating costs – and that the list is illustrative and not complete.)

Then there's capital spending.

This year's capital budget of \$37.0 million includes such projects as the new Lake Jackson branch library, Tharpe Street widening, jail expansion, new stormwater ponds, and information technology updates. This budget can go up and down sharply each year,

depending on what projects are funded, and are a fraction only of our huge backlog of unfunded projects.

So, what happens when a \$20 million property tax cut hits Leon County?

Last fall, we cut the county's general millage rate from 8.54 to 7.99 mills (I made the motion), cutting spending by about \$7.6 million, which included dipping into reserves and cutting non-mandatory spending. Earlier this year, expecting major revenue losses, we froze nonessential hiring – some 60 positions are now vacant – and postponed indefinitely all major capital projects.

These stopgap efforts won't work for long, especially to absorb \$20 million in lost revenues the first year and growing losses each year after that.

We would have to cut current services sharply – but only those services that are not mandatory or “services you deserve.”

Exempting from cuts the public safety and constitutional officer budgets, bond repayments, and other mandatory spending will mean major layoffs of the 823 employees not in those programs.

We would have to cut deeply in such areas as library services, growth management, jail expansion, road maintenance, conservation land acquisition, information technology and much more.

Are human services and cultural programs not essential? Tell that to nonprofits who struggle to mentor children, rehabilitate the disabled, and treat substance abusers – or to economic development experts who know the dollar value of a vibrant cultural community.

Even these won't be enough.

We would have to postpone for years solving such urgent problems as three local emergency dispatch systems that can't communicate fully with each other – or improving road and sidewalk networks. Don't even think about the county subsidizing Piper Aircraft, a Tallahassee Chamber priority. And pray that a major hurricane never hits our community with no real way to respond and rebuild.

The end result is this: The arbitrary cuts proposed by our state leaders would undo decades of careful management in Leon County that have produced high-quality services.

Budget decisions have been out in the open and subject to public hearings and scrutiny all those decades. Elected county commissioners have faced voters every four years.

Yet our state leaders have prejudged that all local government spending is out of control and that their meat cleaver proposal is the only solution. The \$20 million in property tax cuts they would impose – and more cuts in future years – are no solution to anything.

Oh, about the dog park: Leon County has no dog park.

However, at the request of our sheriff, we allocated a small amount of money to build a K-9 police dog training center near the entrance of the county's Alford Park. We hope to have enough property taxes to afford building a full facility.

#